



United States
Department of
Agriculture

Farm and Foreign
Agricultural Services

Farm Service
Agency

Kansas City
Commodity Office
P.O. Box 419205
Kansas City,
Missouri
64141-6205

October 16, 2003

TO: Approved Ports

The Kansas City Commodity Office (KCCO) is soliciting offers for prepositioning commodities at U.S. ports for export under various foreign food assistance programs. Ports which have been inspected and approved for use by the Farm Service Agency (FSA) will be considered qualified to provide offers. Enclosed is a copy of a port contract and the Schedule of Rates Offer Form required to submit an offer.

Factors to be used in the evaluation of offers include storage, fumigation, and transfer costs, minimum tonnage requirements, location of storage facilities and the performance record of the port facility, including adequate steamship line service. To evaluate the offers, Commodity Credit Corporation (CCC) will use a scenario which includes:

- storing 15,000 MT for 60 days
- transferring 5,000 MT to another facility by rail or truck
- loading 5,000 MT into containers, and
- fumigating all bagged commodities (7,000 MT in 25 kg bags and 8,000 MT in 50 kg bags).

KCCO makes no guarantee as to the amount of cargo or use of a contractor's facility. If an offer is accepted, confirmation of use of the facility will be provided on a case-by-case basis. Initial use and the frequency of use will be dependent upon, but not limited to, program requirements. It is anticipated that the maximum requirements for prepositioning commodities will be 50,000 MT of commodities at any given time.

Please review all documents. All offers must be submitted using the Schedule of Rates Offer Form by mail, facsimile, or by hand delivery to this office no later than 11:00 A.M., Tuesday, November 18, 2003. Please direct any questions to Ken Martin, telephone 816-926-6552.

/s/ George W. Aldaya

George W. Aldaya
Director

SCHEDULE OF RATES

All rates are subject to USDA-1, as amended, and the Port Contract. The rates offered in this schedule will be effective January 1, 2004, and will remain in effect until December 31, 2004, unless otherwise amended in accordance with the contract.

PORT NAME			
ALL RATES SHOULD BE SUBMITTED ON A PER METRIC TON BASIS			
DESCRIPTION	HANDLING PALLETIZED TRUCK/RAIL (See Note Below)	HANDLING UNPALLETIZED TRUCK/RAIL (See Note Below)	FUMIGATION RATE (PRICE PER UNIT)
50 kg bags			
25 kg bags			
Vegetable oil			
Location of storage (i.e., shipside, back of shipside)			
Storage rate per cwt, after mandatory 30 days free storage			
Minimum storage space available (metric tons)			
Maximum storage space available (metric tons)			
Do you have container loading capability?		YES <input type="checkbox"/> No <input type="checkbox"/>	

NOTE: Handling rates quoted above are for the potential movement of commodity to another port location. THESE ARE NOT THE f.a.s. RATES TO BE QUOTED TO THE COMMODITY SUPPLIER. Commodity procured under this program will be purchased f.a.s. with the commodity supplier responsible for unloading, handling, tollage, and wharfage.

PORT CONTACT NAME	
TITLE	
TELEPHONE NUMBER	FACSIMILE NUMBER

SIGNATURES	
PORT CONTRACTING AUTHORITY:	
COMPANY NAME	
NAME (Typed)	
TITLE	
TELEPHONE NUMBER	FACSIMILE NUMBER
SIGNATURE	DATE

KANSAS CITY COMMODITY OFFICE:	
NAME	
TITLE	
SIGNATURE	DATE



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**PORT CONTRACT FOR
HANDLING AND STORAGE OF PREPOSITIONED COMMODITIES
FOR USE IN EXPORT PROGRAMS**

1. GENERAL

Periodically the Commodity Credit Corporation (CCC) will issue a Schedule of Rates offer form for the submission of rates from port facilities for services subject to the terms of this contract. The Schedule of Rates will apply to the receipt, storage, and delivery of commodities to be placed either free alongside ship/container (f.a.s.) or free on board (f.o.b.) conveyance (railcar or truck). Provisions of A General Terms and Conditions for the Procurement of Agricultural Commodities or Services, @ USDA-1, Revision No. 2, as amended (USDA-1), are incorporated as specified in Section 5 of this contract. Offerors are advised to read all terms and conditions of USDA-1, this contract, and the Schedule of Rates.

2. ELIGIBILITY OF OFFERORS

To be eligible to submit an offer under this contract all port facilities must be:

- A. Farm Service Agency (FSA) approved;
- B. Under the control of the contractor through direct ownership or contractual agreement; and
- C. Capable of loading breakbulk, or container vessels, and land conveyances.

3. SUBMISSION OF OFFERS

A. Basis of Offers

Prices shown in the offer must be effective for a period of one year, and shall be all-inclusive. Prices shall include, but are not limited to, 30 calendar days free storage in facility, and charges, if necessary, to load the cargo into a conveyance (railcar or truck). The contractor shall be liable for any demurrage, detention, and/or dead freight on railcars, trucks, containers, and vessels due to fault of the contractor.



B. How, Where, and When to Submit Offers

- (1) Offers shall be submitted on a completed, signed Schedule of Rates offer form provided by mail, facsimile, or by hand delivery. Reproduction of the Schedule of Rates offer form is acceptable.
- (2) Envelopes containing the Schedule of Rates offer form may be mailed or delivered directly to the Kansas City Commodity Office, Export Operations Division, Traffic and Contract Administration Branch, using the following address:

USDA/FSA
KCCO/EOD/TCAB, Stop 8738
ATTN: Export Bid Box
6501 Beacon Drive
Kansas City, MO 64133-4675

Or the following number for facsimile bids:

(816) 926-6767
USDA/FSA
KCCO/EOD/TCAB
ATTN: Export Bid Box

- (3) Modifications for permanent or temporary downward revisions or withdrawal of offers may only be submitted by letter, express mail, facsimile, or hand delivery.
- (4) Offers submitted via facsimile are at the offeror's risk. CCC will not be responsible for any failure attributed to the transmission or receipt of facsimile offers including, but not limited to the following:
 - a. Receipt garbled or incomplete;
 - b. Availability or condition of the receiving facsimile equipment;
 - c. Incompatibility between the sending and receiving equipment;
 - d. Delay in transmission or receipt of price changes;
 - e. Failure of the bidder to properly identify the information;
 - f. Illegibility of the information; or
 - g. Security of data.

4. ACCEPTANCE OF OFFERS

- A. On the Schedule of Rates offer form, the contractor shall provide CCC with the name, address, telephone, and fax number of the person responsible to monitor this contract. CCC's acceptance of offers in accordance with the Schedule of Rates on file at KCCO, will be made by facsimile or mail.
- B. In addition to storage rates, factors considered in accepting offers will include:
 - (1) the capacity of the offeror to handle, store, and fumigate commodities,
 - (2) prior port performance, and
 - (3) costs associated with any other services which the port may be called upon to render.
- C. CCC reserves the right to accept or reject any or all offers, or portions thereof.
- D. CCC makes no guarantee as to the amount of commodities or use of a contractor's facility. The initial use and the frequency of use will be dependent upon, but not limited to, program requirements as determined by CCC.
- E. The contractor and CCC agree that CCC's acceptance of an offer constitutes a binding agreement supported by adequate and sufficient consideration including the payment by CCC of \$1.00 (one dollar) to be tendered following acceptance of an offer.

5. PROVISIONS OF CONTRACT

- A. The contract consists of:
 - (1) Contractor's offer through the Schedule of Rates filed at KCCO;
 - (2) CCC's acceptance;
 - (3) This port contract;
 - (4) USDA-1, except Articles 19, 34, 49, 51, 52, 65, 85, and 93.
- B. If the provisions of USDA-1, and this port contract are not consistent, those of this port contract shall prevail.
- C. This contract shall apply to all commodities designated for prepositioning by CCC, as of the date of their deposit by CCC in the port warehouse, and until such commodities are placed in either a f.a.s./container position or f.o.b. railcar or truck.

- D. Applicable Federal laws and the terms of this contract shall prevail over the contractor's tariff or posted rates and State and local laws or regulations to the extent that such tariffs, rates, laws, or regulations are inconsistent with the terms of this contract.

6. INSPECTION OF COMMODITY AND FACILITIES

- A. At any time during or after normal business hours, CCC or CCC's authorized representative will have the right to inspect all facilities of the contractor before or during the performance of the contract.
- B. CCC or CCC's authorized representative shall have the right to have inspectors/surveyors examine the commodities placed in the warehouse and/or f.a.s. or f.o.b. to determine the condition and quantities of the commodities. This inspection may include reviewing of contractor reports and documentation indicating on-hand tonnage. The inspectors/surveyors have the right to reject any packages that are damaged. The contractor shall be liable for the replacement value of any rejected product.

7. RECEIVING

- A. CCC shall provide the contractor notice that the commodity vendor has been instructed to ship to the contractor's facility promptly after issuing such instructions.
- B. The contractor must be able to receive and store the contracted quantity in a warehouse. It is possible that the commodity may arrive at the port at a time that requires loading directly from railcars/trucks into the conveyances.
- C. The quantity of the commodity delivered by the vendor shall be evidenced by a signed and dated KC-366, Shipment Information Log. This document will serve as a warehouse receipt and shall be in a form acceptable to CCC. The warehouse receipt must contain, at a minimum, the Notice to Deliver number (Form KC-269), car/trailer number, unload date, units received in good order, and any overage, shortage, or damage (OS&D). The contractor shall send the warehouse receipt by facsimile daily to KCCO/EOD/TCAB at 816-823-3059. Upon receipt of the last shipment for each Notice to Deliver, the contractor shall complete and sign the KC-366, and forward it immediately to:

USDA/FSA/KCCO/EOD/TCAB
Stop 8738
P.O. Box 419205
Kansas City, MO 64141-6205

- D. The contractor shall immediately notify the delivering carrier(s) of any OS&D upon unloading of conveyances, and allow delivering carriers an opportunity to inspect the commodities. The contractor shall reject damaged commodities to the carrier at the time of unloading and record the rejection on the KC-366 and submit to CCC in accordance with Section 7C. Acceptance of any commodity shall be deemed to be the contractor's agreement that the commodity was received in good order.
- E. The contractor may repair damaged packaged commodity containers as outlined in Notice to the Trade EOD-110, dated May 10, 2002, at the contractor's expense.
- F. The contractor shall discharge rail cars in the order in which they arrive at the contractor's facility. Any demurrage shall be for the contractor's account.
- G. In the event a vessel booking predates the arrival on the warehouse floor of the preposition cargo lots for that vessel, the cargo shall be handled in accordance with requirements applicable to P.L. 480, Title II commodities rather than this contract.

8. STORAGE

- A. The contractor shall store commodities in sheds adjacent to the dock. If other sheds are used because of the lack of space at dockside sheds, the contractor shall be responsible for any costs, including damage or loss for delivering the commodities in accordance with Section 9.
- B. The contractor shall store commodities in a manner that ensures ease of access for inspections and fumigation, and costs incurred to provide such access shall be for the contractor's account.
- C. The contractor shall preserve the condition of commodities and will follow good commercial practices in storing and maintaining the commodities.
- D. The contractor shall maintain the warehouse in a sound, clean condition and take all reasonable steps to keep it free of insects, rodents, birds, and other conditions that may adversely affect the condition of the commodities or their containers.
- E. The contractor shall take all reasonable steps to promptly detect and correct any insect infestation, rodent damage, mold, or any other condition that may adversely affect the condition of the commodities.

- F. If any deficiencies noted in Sections 8D or 8E are detected, the contractor shall notify CCC by telephone and confirm such notification in writing. Pending receipt of instructions from CCC, the contractor shall take all reasonable steps necessary to protect and preserve the affected commodities.
- G. The contractor shall maintain the commodities in a sound, undamaged condition and shall deliver to the ocean carrier, or other conveyance as instructed by CCC, the specific commodities received from CCC. The contractor shall have a system in place to report warehouse losses to CCC, as they occur or not later than completion of lot load out. The contractor shall be liable to CCC for any loss of such commodities from the time of delivery to the warehouse until the commodities are accepted by the ocean carrier, or loaded on board any other conveyance as instructed by CCC, in accordance with Section 9.
- H. If CCC determines at any time that any quantity of commodities held by the contractor is damaged or is in unsound condition, CCC may reject such commodities and the contractor shall be liable to CCC for the full replacement value of the rejected commodities, except as noted in Section 13C.
- I. Commodities shall be stored in the warehouse in such a manner that lot identity is maintained to the extent that when delivery of any lot is ordered by CCC, the specific commodities received will be delivered. The contractor must maintain reports indicating, at a minimum, the number of units damaged or lost while in contractor's possession, the number of units in good condition, and the date the units were delivered to the carrier. The contractor shall obtain the ocean carrier agent's signature on the reports, indicating acceptance of the commodity in good order. These reports shall be kept current, updated daily with activity, and shall be made available to CCC or CCC's authorized representative upon demand. The contractor shall be responsible to CCC for the difference between the number of units received and the number of units delivered to the carrier.

9. LOAD OUT

- A. CCC's Notice to the Trade dated April 5, 1995, clarified responsibility of f.a.s. movements. All commodities procured for prepositioning are purchased on an f.a.s. basis, thus all port terminal charges i.e., unloading, wharfage, tollage, and handling, etc, will be paid by the commodity vendor.
- B. CCC shall, promptly after ocean transportation has been arranged, notify the contractor as to the ocean carrier which will be transporting the commodities and the quantity, type, and lot number of the commodity to be available for inspection by the ocean carrier, or its representative. Within 24 hours after receipt of this notification or within 24 hours of receipt of cargo, the contractor will inform the carrier of the exact location of each lot so specified by CCC, and permit the ocean carrier or its representative to inspect each lot. Ocean

transportation arrangements will provide that the ocean carrier or its representative may, not later than 96 hours prior to the presentation of a vessel for loading, identify to the port and to CCC, any commodity found to be in unacceptable condition.

- C. Ocean transportation arrangements will be on full berth terms and thus provide that the ocean carrier will be responsible for movement of the commodity from place of rest in the warehouse. The ocean carrier is responsible for any loss and damage to the commodities after the ocean carrier or its representative has accepted the commodities as being fit and ready to load, but in any event, no later than 96 hours prior to the presentation of the vessel for those commodities. The contractor shall obtain the carrier agent's signature on the reports mentioned in Section 8I, indicating acceptance of the commodity in good order. Commodity rejected by the ocean carrier or its representative will be subject to inspection as approved by CCC to determine its disposition. Any exceptions to the above must be approved in advance, in writing, by CCC. CCC shall have the option to provide replacement commodity.
- D. In the event a vessel cannot be accommodated by the contractor within two berths, any long haul charges will be for the contractor's account. No charges shall be assessed against the vessel by the contractor other than those that would normally occur had all of the commodity been located in sheds adjacent to the dock.
- E. Reports specified in Section 8I are to be mailed (facsimile or e-mail is acceptable) to USDA/FSA, KCCO/EOD/TCAB, Stop 8738, P.O. Box 419205, Kansas City, MO 64141-6205, on the date stored commodity has been delivered to the ocean carrier, loaded into any other conveyance, or whenever any change in product status occurs.

10. REPORTING CAPABILITIES

The contractor must have an electronic commodity status reporting system. The program should be capable of transmitting data to KCCO/EOD/TCAB via e-mail. Reports should be available upon request and weekly. The weekly reports shall include current inventory by shed number/location, whether inventory is available from the shed or whether the commodity is in railcars within the port, constructively or actually placed, etc. The report should include the commodity name, port lot identification number, CCC's Notice to Deliver number, railcar number, units, net weight, and name of vessel (when available) on which the commodity is scheduled to lift.

11. QUALITY MAINTENANCE

A. Contractor's Responsibilities . The contractor shall:

- (1) Arrange all Federal Grain Inspection Service (FGIS) Condition Inspections for any prepositioned bagged cargo in place on warehouse floor five days prior to vessel loading or container stuffing.
- (2) Arrange all FGIS Condition Inspections for any prepositioned bagged cargo in place on warehouse floor more than 30 days (30-day period to start from arrival of first railcar/truck).
- (3) all FGIS Condition Inspections for each 30-day interval thereafter.
- (4) Retain copies of all FGIS Condition Inspection reports at port facility and notify KCCO/EOD/TCAB immediately of any negative report requiring corrective action.
- (5) Arrange fumigation of any lots found to be infested. Fumigation to be done in accordance with the FGIS fumigation handbook and Notice to the Trade EOD-83, dated June 13, 2001.
- (6) Pay costs for all FGIS Condition Inspections, up to and including the second 30-day FGIS Condition Inspection and fumigations necessitated by these inspections.

B. CCC 's Responsibilities. CCC shall:

Pay costs for all FGIS Condition Inspections after the second 30-day inspection and any fumigation necessitated by these inspections.

12. CONTRACT TERMINATION OR EXTENSION

- A. CCC shall have the right to cancel this contract at any time by notice, in writing, to the contractor.
- B. This contract may be extended, in increments not to exceed one year, with the mutual agreement of CCC and the contractor.
- C. CCC shall notify the contractor at least 45 days before the expiration date of the contract. The notification shall: (1) stipulate whether CCC intends to extend the contract for another year, (2) afford the contractor the opportunity to accept or decline the extension, and (3) require a response within ten days from the date of the notification. If the contractor declines the extension or fails to respond within the time allowed, the contract shall expire at the previously agreed upon date.

13. DAMAGES

Any actual damages suffered by CCC resulting from any failure or refusal of contractor to perform in accordance with this contract shall be for the account of the contractor, and contractor shall pay the billing party directly for these damages. Such actual damages shall include, but are not limited to, truck/railcar demurrage, vessel detention, dead freight, handling, wharfage, and storage charges.

14. INVOICES AND PAYMENT

- A. Invoicing and payment shall be handled in accordance with Article 70, USDA-1. Invoices must be mailed to:

USDA/FSA/KCFO/FOD
Payment Certification Branch, Stop 8588
P.O. Box 419205
Kansas City, MO 64141-6205

- B. Payments must be made directly to a financial banking institution. To receive payments electronically, Standard Form 3881, ACH Vendor/Miscellaneous Payment Enrollment Form must be completed. The Debt Collection Improvement Act of 1996 amended 31 U.S.C. 3332 to require Federal agencies to convert all Federal payments from checks to electronic fund transfers no later than January 1, 1999. If you have questions or would like this form mailed to you, contact Financial Operations Division, Payment Certification Branch, telephone 816-926-6205

15. INQUIRIES

Inquiries pertaining to USDA-1 and this contract should be directed to:

USDA/FSA/KCCO/EOD/TCAB
Stop 8738
ATTN: Ken Martin
P.O. Box 419205
Kansas City, MO 64141-6205
Telephone: 816-926-6552

George Aldaya
Director